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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 002846

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TAGS: [PREL](#) [TW](#)

SUBJECT: CHAD LOSS PROMPTS ANXIETY WITHIN TAIWAN FOREIGN
POLICY CIRCLES

REF: A. TAIPEI 02652

[1](#)B. TAIPEI 02700

[1](#)C. NDJAMENA 01054

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

[1](#)1. (C) Summary: Chad's decision last week to establish formal diplomatic relations with Beijing has renewed anxiety in Taipei over the long-term viability of its competition with the PRC for official diplomatic partners. Local foreign policy observers say Taiwan will nevertheless press ahead with efforts to expand its formal "international space," but opinions differ regarding how low the number of countries that recognize Taiwan will or can go before causing serious difficulties for President Chen and the Foreign Ministry. Taiwan officials, who characterized the manner and timing of the Chad break as going beyond the "normal bounds" of competition, are concerned that Beijing's increasingly aggressive behavior may draw away other partners over the next year. End Summary.

The Numbers Game: How Low Will They Go?

[1](#)2. (C) With the loss of Chad, Taiwan is now down to 24 formal diplomatic partners, from a high of 31 reached in 1996 and 29 in 2000, the start of President Chen's first term. National Chengchi University Institute of International Relations Professor Yen Chen-shen told AIT that Taipei continues to compete for recognition because the number of formal partners is not only symbolic of Taiwan's presence on the international stage, but also is integral to the "myth" of Taiwan statehood and nationalism. Yen doubted the number would go below 20 in the next two years, but warned that if it reached 22, last hit in 1988, then the Chen administration would be under pressure to push more radical proposals that highlight Taiwan's sovereignty.

[1](#)3. (C) Politicians from the pan-Green ruling camp have been less sanguine about the near-term prospects for Taiwan's formal diplomatic relations, and some have told us they can live with just a dozen or so formal partners. Democratic Progressive Party (DPP) legislator Hung Chi-chang predicted to AIT the number would drop to 15 over the next two years, which he characterized as "reasonable" for Taiwan as it would allow the government to focus more on its unofficial relations. Deep-Green supporters, such as Examination Yuan

President Yao Chia-wen, have told AIT that Taiwan could "live with" only a dozen partners. They have characterized the loss of Chad as good because Taiwan could now use its international assistance funds to explain Taiwan to the US, Japan, and other countries of greater importance to Taiwan, as well as for domestic social programs. IIR's Yen argued that Taiwan's "dollar diplomacy" would be enough to ensure the support of at least 10 to 12 of the smallest states--whose combined populations total less than half of Taipei city's 2.5 million. Such measures, however, are unpopular as close to 70 percent of Taiwan's population does not support the use of monetary assistance as a tool for maintaining formal diplomatic relations, according to one recent poll.

Key Diplomatic Battlegrounds

14. (C) Taiwan diplomats on the front-lines of the competition with the PRC for recognition, however, are more concerned with maintaining as many official diplomatic partners as possible. A primary area of focus is Central America and the Caribbean, where half of Taiwan's formal diplomatic partners are located. MOFA diplomats are worried that the loss of one country in the region could trigger a "domino effect," causing some others to switch recognition to Beijing in rapid succession. Complicating that scenario is the announced readiness of the Vatican to switch relations to Beijing when negotiations are complete, which could further push the largely Catholic countries of this region to follow suit. In meetings last month with AIT, MOFA Director for Central and South American Affairs Ambassador Ko Jai-son highlighted the sensitive situation in Nicaragua and requested Washington's assistance to increase cooperation

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between conservative presidential candidates to keep Daniel Ortega from winning the presidency (See Refs A-B). Ko also expressed concerns about Panama, noting that China's interests in the Panama canal and the strong influence of Beijing's commercial office within business circles there were making inroads into Taiwan's position. Taiwan's "co-prosperity" project, launched last year, aims to encourage Taiwan businesses to move into Central America to take advantage of NAFTA while helping Taiwan boost its commercial relations with key allies, explained Ko.

15. (SBU) Taiwan Foreign Minister James Huang is currently on a trip to Panama, Costa Rica, and Honduras to meet the heads of state and foreign ministers of these key allies. Huang will also hold a meeting with the heads of Taiwan's missions in the region to map out future diplomatic initiatives. Huang publicly denied speculation that this trip is an effort to shore up relations with shaky allies after the break with Chad, insisting his trip had been planned long before Taiwan severed ties with Chad on August 6.

16. (C) The South Pacific, with six formal diplomatic partners, is the next most important battleground for Taiwan. According to Professor Yen, Taipei will hold its first-ever summit with Pacific island allies in Palau next month in an effort to counteract Beijing's push into the region earlier this year. (Note: Premier Wen Jiabao attended a forum of China's allies in the region and announced a major aid and economic investment package in May. End note.) Solomon islands Prime Minister Sogavare arrived in Taipei this week, a move that local commentators say is meant to counter previous speculation that ties with the Pacific island nation were unstable after riots in May forced a parliamentary election.

17. (C) Despite the loss of Chad, Taiwan's ties to its remaining African allies appear relatively stable for the moment. MOFA officials, nevertheless, have pointed to a few countries of concern. Director-General for African affairs Lee Cheng-hsiung said Taiwan is worried that Nigeria's

involvement in the development of oil in Sao Tome could give the PRC leverage to use its influence with Abuja to press the African island state to switch recognition. The PRC is also offering participation in a Free Trade Agreement with South Africa as an incentive to persuade Swaziland to switch recognition, Lee claimed.

Long-Term Trends

18. (C) Professor Yen told AIT that three long-term developments will undermine Taiwan's position vis-a-vis the PRC. First, the growth of PRC immigration to countries where Taiwan has formal relations is outpacing the migration of people from Taiwan and creates local immigrant populations more likely to support stepped-up relations with Beijing. Second, Chinese PRC commerce and business in many countries, but particularly in Central America, is outstripping Taiwan's pace of investment, asserted Yen. Third, Beijing has been more active than Taiwan in co-opting local elites by using "soft power" tactics, such as providing large numbers of scholarship and training opportunities for Africans to visit the PRC. If these trends continue, asserted Yen, Taipei is bound to lose more allies in the coming years.

Comment

19. (C) While many local commentators and officials appear pessimistic about the prospects for Taiwan holding on to all of its remaining 24 official allies, most observers agree Taipei has no choice but to continue its quest for additional diplomatic partners. In addition to symbolic and domestic political utility, the maintenance of official diplomatic partners serves as a proxy through which Taiwan can raise initiatives in international bodies, such as the UN and WHO. The break with Chad, while not a total surprise within foreign policy circles, appears to have spurred some introspection that could lead to a reevaluation of how Taipei proceeds in its competition with Beijing. The success of Taiwan's diplomats will in part depend on the effectiveness

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of MOFA and the Chen administration to convince the public that spending on foreign assistance serves Taiwan's long-term interests.
YOUNG